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IOWA GENERAL ASSEMBLY WEB SITE
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DATE: September 1, 2006
TO: Legislative Fiscal Committee
FROM: Lisa Burk
RE: Case Management Update

House File 841 (IowaCare Medicaid Reform Act) directed the Department of Human Services (DHS) to add Case Management as a Medicaid-covered service under the Elderly Waiver. The change required approval from the federal Centers for Medicare and Medicaid Services (CMS), which was received on May 31, 2006.

House File 2734 (FY 2007 Health and Human Services Appropriations Act) required the Department of Elder Affairs (DEA) to transfer \$2.3 million, including \$1.3 million in new General Funds, and \$1.0 million in existing Senior Living Trust Funds to the DHS to provide State match to draw down federal Medicaid funds for Case Management. The Act also set the average reimbursement rate at \$70 per person per month.

Concerns were expressed this Interim regarding the transition; a misunderstanding of who could provide Elderly Waiver Case Management services under the new system; and cash flow issues for a few Area Agencies on Aging (AAAs) since claims would now have to be submitted to Medicaid for payment in lieu of receiving an up-front allocation.

The DHS worked in collaboration with the DEA to develop the new system, and implementation is anticipated to begin on October 1, making Case Management a Medicaid-covered service under the Elderly Waiver. Until October 1, there will be no changes to the Case Management system.

As requested by legislators, the DHS provided an informational letter to all interested parties and providers to use as guidelines for the transition process. The letter included a matrix addressing common myths and facts related to the transition, which is provided in **Attachment A**.

The DHS will return 25.0% of the transferred funds back to the DEA to allow the existing Case Management system to be maintained by the AAAs until the transition takes place on October 1. In addition, the DEA revised the historical funding allocation process to the AAAs to address short-term cash flow issues that may be experienced due to the transition so other services provided by the AAAs would not be negatively impacted.

For more information, please contact Lisa Burk or Kerri Johannsen of the Legislative Services Agency.

CASE MANAGEMENT MYTHS and FACTS
Provided by DHS, July 27, 2006

ATTACHMENT A

MYTH	FACT
Adding the HCBS Elderly Waiver Case Management Service will require the reduction or deletion of services if by adding this service the monthly service amount exceeds the monthly cap of \$1052.	Adding the HCBS Elderly Waiver Case Management service will not reduce or delete any services received through the Elderly Waiver. If the individual is at the monthly cap of \$1052 the \$70 will be allowed to go over the cap. The \$70.00 per month maximum will still be within the cost neutrality for CMS.
MYTH	FACT
The Area Agencies on Aging will be the only provider entity qualified to provide HCBS Elderly Waiver Case Management.	<u>Any</u> agency or individual who meets the HCBS Elderly Case Management criteria will be enrolled to provide this service. The Elderly waiver consumer will have a choice of any qualified provider. All providers will need to enroll with IME to provide the service.
Someone other than the HCBS Elderly Waiver Case Manager may enter HCBS Elderly Waiver service plans in the Individualized Services Information System (ISIS).	ISIS is an electronic system, which is password protected and requires unique log in identification for workers to have access to the system and to work on behalf of the Medicaid consumer. The system was built to have the person attached to that role/responsibility have the access to the system and the consumer's information. This ensures both the Iowa Department of Human Services and CMS the confidentiality of HIPAA requirements. Therefore, HIPAA does not allow a clerical person, case manager supervisor, etc. to enter in information on any consumer, it must be the individual assigned as the Elderly Waiver Case Manager.
An HCBS Elderly Waiver Case Manager will have access to all elderly waiver consumers on ISIS.	Elderly Waiver Case Managers will only be able to view those consumers who have been assigned to their workload. This again assures confidentiality as required by CMS/HIPAA requirements.
An agency that is providing services to an HCBS Elderly Wavier consumer may also	CMS will <u>not</u> allow an enrolled agency to provide both case management and a

provide the HCBS Elderly Waiver Case Management Service.	service as it creates a conflict of interest. If an agency of services elects to provide case management, they must demonstrate that a “firewall” (legal separation of business and conflict of interest policies) is established to assure that no conflict of interest exists.
Area Agencies on Aging will receive less funding because of the addition of HCBS Elderly Waiver Case Management.	The Iowa Legislature appropriated \$2.3 million for HCBS Elderly Waiver Case Management, which is expected to be matched by \$4.0 million federal funding. This equals a \$6.3 million expansion of funding for the HCBS Elderly Waiver Case Management Service.
MYTH	FACT
Interdisciplinary teams will continue, as they previously have, to develop a care plan.	The Interdisciplinary Team will continue to exist and must include the consumer or legal representative, the HCBS Elderly Waiver Case Manager and any other person that the consumer chooses.